

TRANSPORTATION
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STATE OF MICHIGAN



JOHN ENGLER, GOVERNOR
DEPARTMENT OF TRANSPORTATION

TRANSPORTATION BUILDING, 425 WEST OTTAWA POST OFFICE BOX 30050, LANSING, MICHIGAN 48909
PHONE: 517-373-2090 FAX: 517-373-0167 WEB SITE: <http://www.mdot.state.mi.us>
JAMES R. DeSANA, DIRECTOR

February 22, 2000

The Honorable John Engler
Senate Appropriations Subcommittee on Transportation
House Appropriations Subcommittee on Transportation
Senate Fiscal Agency
House Fiscal Agency
Auditor General Thomas H. McTavish
Director James R. DeSana

Dear Governor Engler, Respective Members, Mr. McTavish, and Director DeSana:

Section 321 of the appropriations bill for the State Transportation Department for the fiscal year ending September 30, 2000, provides for a report prepared by the Department's Internal Auditor on the activities of the internal auditor for the prior fiscal year.

Enclosed is a Schedule of Internal Audit Activities for the fiscal year ending September 30, 1999, detailing the proportion of time spent in the various areas of the Office of Commission Audits' internal audit responsibilities. Also enclosed is the required listing of the audits performed.

If you have any questions regarding this report, please contact me or Jerry J. Jones, C.P.A., Commission Auditor, at 517-373-2110 or 517-373-2384, respectively.

Sincerely,

A handwritten signature in black ink, appearing to read "B. LaBelle", with a long horizontal flourish extending to the right.

Barton W. LaBelle, Chairman
State Transportation Commission

Enclosures

cc: State Transportation Commission
D. Novak
G. Rosine
T. Horsfall



Schedule of Internal Audit Activities
Fiscal Year 1998-99
Michigan Department of Transportation
Office of Commission Audits

List of each audit or investigation pursuant to Sections 486(4) and 487 of Act No. 272 of the Public Acts of 1986

See attached list.

STATUTORY RESPONSIBILITY	PROPORTION OF TIME
Biennial Internal Control Assessment	(A)
Investigations of False Information in Biennial Internal Control Assessment	0%
Financial Related Audits	44%
Compliance, Economy, and Efficiency and Performance Reviews	30%
Other Audit and Investigative Activities	Agreement Reviews 6% Contractor Claims 2%
Serious or Flagrant Activities	2%
Other	Training 10% Office Automation 6% Other (B)
Total	100%

Comments:

(A) A non-reporting year, less than 1% of time utilized.

(B) Less than 1% of time utilized.

Audits Issued During FY 99

Vendor/Agency	Report Date	Report Number	Projects\ Agreements
AVIATION SYSTEMS RESEARCH CORP.	11/20/98	AR-1999-14	1
CAPITAL REGION AIRPORT AUTHORITY	10/28/98	AR-1999-9	1
DELTA COUNTY (AERO ONLY)	10/28/98	AR-1999-10	2
AR Subtotal	3 Audits	4	
ALPENA COUNTY ROAD COMMISSION	12/22/98	CM-1998-149	1
ANTRIM COUNTY ROAD COMMISSION	03/16/99	CM-1998-198	1
ARENAC COUNTY ROAD COMMISSION	10/15/98	CM-1998-107	1
ARENAC COUNTY ROAD COMMISSION	08/03/99	CM-1999-83	1
BAY COUNTY ROAD COMMISSION	08/16/99	CM-1998-197	1
BENZIE COUNTY ROAD COMMISSION	12/02/98	CM-1998-118	1
BENZIE COUNTY ROAD COMMISSION	12/02/98	CM-1998-119	1
CALHOUN COUNTY ROAD COMMISSION	07/12/99	CM-1999-8	1
CHEBOYGAN COUNTY ROAD COMMISSION	12/23/98	CM-1998-154	1
CLARE COUNTY ROAD COMMISSION	12/23/98	CM-1998-157	2
CLARE COUNTY ROAD COMMISSION	12/23/98	CM-1998-158	1
CLINTON COUNTY ROAD COMMISSION	01/08/99	CM-1998-166	1
CRAWFORD COUNTY ROAD COMMISSION	04/05/99	CM-1997-376	1
DICKINSON COUNTY ROAD COMMISSION	01/26/99	CM-1998-179	1
EMMET COUNTY ROAD COMMISSION	08/16/99	CM-1998-205	1
GOGEBIC COUNTY ROAD COMMISSION	03/03/99	CM-1998-202	1
HILLSDALE COUNTY ROAD COMMISSION	02/08/99	CM-1998-170	1
HOUGHTON COUNTY ROAD COMMISSION	08/18/99	CM-1999-60	1
HURON COUNTY ROAD COMMISSION	12/17/98	CM-1998-123	1
HURON COUNTY ROAD COMMISSION	09/27/99	CM-1999-121	1
IOSCO COUNTY ROAD COMMISSION	09/20/99	CM-1999-39	1
KENT COUNTY ROAD COMMISSION	03/03/99	CM-1999-16	2
KEWEENAW COUNTY ROAD COMMISSION	07/30/99	CM-1999-48	2
LAPEER COUNTY ROAD COMMISSION	12/04/98	CM-1998-117	1
MACKINAC COUNTY ROAD COMMISSION	02/25/99	CM-1999-27	2
MANISTEE COUNTY ROAD COMMISSION	08/25/99	CM-1999-50	1
MARQUETTE COUNTY ROAD COMMISSION	09/30/99	CM-1999-128	1
MECOSTA COUNTY ROAD COMMISSION	11/25/98	CM-1998-104	1

Audits Issued During FY 99

Vendor/Agency	Report Date	Report Number	Projects\ Agreements
MIDLAND COUNTY ROAD COMMISSION	12/21/98	CM-1998-138	1
MONTCALM COUNTY ROAD COMMISSION	09/22/99	CM-1999-37	1
MUSKEGON COUNTY ROAD COMMISSION	03/03/99	CM-1998-180	1
OAKLAND COUNTY, ROAD COMMISSION FOR	12/29/98	CM-1998-165	1
OTSEGO COUNTY ROAD COMMISSION	09/24/99	CM-1999-140	1
PRESQUE ISLE COUNTY ROAD COMMISSION	12/18/98	CM-1998-145	1
SCHOOLCRAFT COUNTY ROAD COMMISSION	08/02/99	CM-1999-45	1
SHIAWASSEE COUNTY ROAD COMMISSION	12/23/98	CM-1998-147	1
	CM Subtotal	36 Audits	40
CAPITAL CONSULTANTS, INC.	03/15/99	CO-1999-44	6
CH2M HILL MICHIGAN, INC.	05/21/99	CO-1999-81	2
EARTH TECH, INC.	06/11/99	CO-1998-66	10
MCNAMEE, PORTER & SEELEY, INC.	05/26/99	CO-1999-66	12
METCO SERVICES, INC.	01/13/99	CO-1998-181	2
ORCHARD, HILTZ & MCCLIMENT, INC.	11/03/98	CO-1998-122	12
OWEN AYRES & ASSOCIATES INC. OF MICHIGAN	08/13/99	CO-1999-133	25
PARSONS TRANSPORTATION INC.	05/05/99	CO-1997-357	1
R. S. SCOTT ASSOCIATES, INC.	07/23/99	CO-1999-18	5
SHAH ENGINEERING	01/07/99	CO-1999-15	1
SOIL AND MATERIALS ENGINEERS, INC.	04/20/99	CO-1999-56	6
UNIVERSITY OF MICHIGAN	03/10/99	CO-1999-21	6
VANASSE HANGEN BRUSTLIN, INC.	01/11/99	CO-1999-20	1
WAD E-TRI M/ASSOCIATES, INC.	06/23/99	CO-1999-29	17
	CO Subtotal	14 Audits	106
AUBURN, CITY OF	11/03/98	ED-1998-126	5
DEXTER, VILLAGE OF	11/24/98	ED-1998-206	1
FARMINGTON HILLS, CITY OF	11/23/98	ED-1998-106	1
FARMINGTON HILLS, CITY OF	11/03/98	ED-1998-125	1
GREENVILLE, CITY OF	01/27/99	ED-1999-35	1
INGHAM COUNTY ROAD COMMISSION	12/07/98	ED-1998-155	2
LAKE COUNTY ROAD COMMISSION	01/20/99	ED-1998-156	1
MACKINAW CITY, VILLAGE OF	06/21/99	ED-1999-23	1

Audits Issued During FY 99

Vendor/Agency	Report Date	Report Number	Projects\ Agreements
OAKLAND COUNTY, ROAD COMMISSION FOR	02/25/99	ED-1 999-32	1
OCEANA COUNTY ROAD COMMISSION	02/25/99	ED-1 998-167	1
OTSEGO, CITY OF	09/27/99	ED-1 999-213	2
PRESQUE ISLE COUNTY ROAD COMMISSION	02/17/99	ED-1 997-317	1
	ED Subtotal	12 Audits	18
ANN ARBOR, CITY OF	07/16/99	MM-1999-87	1
GAYLORD, CITY OF	01/27/99	MM-1998-169	1
GRAND RAPIDS, CITY OF	02/18/99	MM-1998-204	2
HANCOCK, CITY OF	06/22/99	MM-1998-196	1
HOUGHTON, CITY OF	07/09/99	MM-1999-25	1
HOUGHTON, CITY OF	09/24/99	MM-1 999-151	2
MANISTEE, CITY OF	07/12/99	MM-1998-195	1
MUSKEGON, CITY OF	08/11/99	MM-1999-163	1
PONTIAC, CITY OF	09/30/99	MM-1 999-298	2
PORT HURON, CITY OF	12/01/98	MM-1998-194	1
SAGINAW, CITY OF	01/26/99	MM-1 998-163	1
	MM Subtotal	11 Audits	14
ALFRED BENESCH & COMPANY	11/13/98	PA-1999-2	1
ANALYTICAL SURVEYS, INC.	07/21/99	PA-1999-249	1
BELLNER, BERNARD	03/10/99	PA-1999-34	1
BRW/HAZELET & ERDAL OF MI, INC.	08/11/99	PA-1999-284	1
CONSOER TOWNSEND ENVIRODYNE ENGINEERS	10/07/98	PA-1998-188	1
CORRADINO GROUP, P.S.C., THE	06/29/99	PA-1999-253	1
HNTB MICHIGAN, INC.	03/24/99	PA-1999-46	1
MCNAMEE, PORTER & SEELEY, INC.	04/30/99	PA-1999-57	1
ODETICS ITS, INCORPORATED	06/18/99	PA-1999-201	1
SNELL ENVIRONMENTAL GROUP, INC.	01/22/99	PA-1999-24	1
WAD E-TRI M/ASSOC IATES, INC.	08/05/99	PA-1999-282	1
WILCOX ASSOCIATES, INC.	06/25/99	PA-1999-47	1
	PA Subtotal	12 Audits	12
HESS ROISE HISTORICAL CONSULTANTS	01/14/99	PO-1999-12	1
SOUTHEAST MICHIGAN COUNCIL OF GOVERNMENTS	10/29/98	PO-1999-4	1

Audits Issued During FY 99

Vendor/Agency	Report Date	Report Number	Projects\ Agreements
SOUTHEAST MICHIGAN COUNCIL OF GOVERNMENTS	10/29/98	PO-1999-5	2
SOUTHEAST MICHIGAN COUNCIL OF GOVERNMENTS	10/29/98	PO-1999-6	1
SOUTHEAST MICHIGAN COUNCIL OF GOVERNMENTS	10/29/98	PO-1999-7	18
VPSI, INC.	05/26/99	PO-1999-80	3
	PO Subtotal	6 Audits	26
ALPENA, CITY OF	05/05/99	PT-1999-78	1
ALTRAN TRANSIT AUTHORITY	07/02/99	PT-1999-256	1
BARRY COUNTY TRANSIT	03/26/99	PT-1999-54	2
BAY AREA TRANSPORTATION AUTHORITY	07/30/99	PT-1999-269	2
BAY METROPOLITAN TRANSPORTATION AUTHORITY	07/30/99	PT-1999-277	5
BERRIEN COUNTY BOARD OF COMMISSIONERS	06/30/99	PT-1999-85	4
CARO TRANSIT AUTHORITY	05/04/99	PT-1999-59	2
DETROIT, CITY OF	10/14/98	PT-1998-69	1
DETROIT, CITY OF	03/22/99	PT-1999-13	7
EASTERN UPPER PENINSULA TRANSPORTATION AUTHORITY	05/21/99	PT-1999-84	7
GREATER LAPEER TRANSPORTATION AUTHORITY	08/09/99	PT-1999-276	2
IONIA, CITY OF	05/05/99	PT-1999-72	1
ISABELLA COUNTY TRANSPORTATION COMMISSION	07/13/99	PT-1999-268	4
JACKSON TRANSPORTATION AUTHORITY	08/09/99	PT-1999-279	3
KALAMAZOO COUNTY - HUMAN SERVICES DEPT.	07/30/99	PT-1999-278	2
LIVINGSTON COUNTY BOARD OF COMMISSIONERS	08/10/99	PT-1999-274	3
LUDINGTON MASS TRANSPORTATION AUTHORITY	03/24/99	PT-1999-53	2
MASS TRANSPORTATION AUTHORITY	10/14/98	PT-1999-1	9
MECOSTA COUNTY BOARD OF COMMISSIONERS	03/24/99	PT-1999-51	3
MICHIGAN JOBS COMMISSION	10/14/98	PT-1998-68	1
MICHIGAN PUBLIC HEALTH INSTITUTE	11/23/98	PT-1998-199	1
OSCEOLA COUNTY BOARD OF COMMISSIONERS	03/24/99	PT-1999-52	2
OTSEGO COUNTY BOARD OF COMMISSIONERS (AERO ONLY)	05/26/99	PT-1999-124	4
SANILAC COUNTY BOARD OF COMMISSIONERS	06/22/99	PT-1999-240	2
SMART	09/15/99	PT-1999-289	12
VAN BUREN COUNTY BOARD OF COMMISSIONERS	07/02/99	PT-1999-248	1
VAN BUREN COUNTY PUBLIC TRANSIT AGENCY	07/02/99	PT-1999-247	1

Vendor/Agency	Report Date	Report Number	Projects\ Agreements
YATES TOWNSHIP	07/21/99	PT-1999-270	1
YATES TOWNSHIP DIAL-A-RIDE TRANSPORTATION SYSTEM	07/21/99	PT-1999-267	5
	PT Subtotal	29 Audits	91
ANN ARBOR RAILROAD	09/01/99	RR-1999-73	3
CENTRAL MICHIGAN RAILWAY COMPANY	07/30/99	RR-1997-299	2
CENTRAL MICHIGAN RAILWAY COMPANY	09/21/99	RR-1999-74	4
CONSOLIDATED RAIL CORPORATION	09/15/99	RR-1998-109	21
GRAND TRUNK WESTERN RAILROAD	09/23/99	RR-1997-252	40
INDIANA NORTHEASTERN RAILROAD CO.	08/25/99	RR-1999-291	1
KALAMAZOO, CITY OF	09/27/99	RR-1 999-255	2
MICHIGAN SOUTHERN RAILROAD	07/06/99	RR-1 997-294	3
MID MICHIGAN RAILROAD, INC.	08/23/99	RR-1999-77	1
SAGINAW VALLEY RAILWAY COMPANY, INC.	10/14/98	RR-1997-260	1
SAGINAW VALLEY RAILWAY COMPANY, INC.	07/23/99	RR-1997-298	1
	RR Subtotal	11 Audits	79
BERRIEN COUNTY ROAD COMMISSION	12103/98	UR-1998-141	2
CRAWFORD COUNTY ROAD COMMISSION	12107/98	UR-1998-124	1
DETROIT, CITY OF	01/27/99	UR-1998-190	7
GROSSE POINTE FARMS, CITY OF	08/13/99	UR-1998-137	1
LAKE COUNTY ROAD COMMISSION	01/26/99	UR-1999-28	1
MARLETTE, VILLAGE OF	12/01/98	UR-1998-160	1
MAXCO DEVELOPMENT, INC.	12/10/98	UR-1999-19	1
OAKLAND COUNTY, ROAD COMMISSION FOR	02/25/99	UR-1999-31	6
ROYAL OAK, CITY OF	12/04/98	UR-1999-17	1
	UR Subtotal	9 Audits	21
SUN PIPELINE CO.	11/25/98	UT-1997-340	1
SUN PIPELINE CO.	09/01/99	UT-1999-171	2
	UT Subtotal	2 Audits	3
Grand Totals for Financial Related Audits		145 Audits	414

Audits Issued During FY 99

Vendor/Agency	Report Date	Report Number	Projects\ Agreements
BUREAU OF FINANCE AND ADMINISTRATION PROCUREMENT CARD PROGRAM	10/19/99	OP-99-001	
OFFICE OF THE DIRECTOR MACKINAC BRIDGE AUTHORITY	01/20/99	OP-99-002	
BUREAU OF HIGHWAY TECHNICAL SERVICES MAINTENANCE DIVISION	06/16/99	OP-99-003	
BUREAU OF HIGHWAY TECHNICAL SERVICES CONSTRUCTION AND TECHNOLOGY DIVISION CONSTRUCTION SECTION	06/16/99	OP-99-004	
BUREAU OF HIGHWAY TECHNICAL SERVICES DESIGN DIVISION SPECIFICATIONS AND ESTIMATES UNIT	08/19/99	OP-99-005	
BUREAU OF HIGHWAY OPERATIONS METRO REGION PURCHASING AND PAYMENT PROCESS	09/16/99	OP-99-006	
Grand Total for Performance Audits		6	
AERONAUTICS RATE REVIEW FOLLOW-UP	11/14/98		
SUPERIOR BUS REVIEW	12/16/98		
NAPA PAYMENT REVIEW	01/13/99		
OIM CONSULTANT REVIEW	04/01/99		
EMPLOYEE TIME REVIEW	04/30/99		
US 10 OVERRUN REVIEW	04/30/99		
Grand Total for Special Audits		6	